



County of Los Angeles

DEPARTMENT OF PUBLIC SOCIAL SERVICES

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September 11, 2014

TO: Each Supervisor

FROM: 
Sheryl L. Spiller, Director

SUBJECT: **NOTICE OF INTENT TO EXERCISE EXTENSION FOR TWENTY-FOUR
ADDITIONAL MONTHS BEYOND THE INITIAL TERM WITH HEWLETT
PACKARD ENTERPRISE SERVICES, LIMITED LIABILITY COMPANY
FOR THE GAIN EMPLOYMENT ACTIVITY AND REPORTING SYSTEM
AGREEMENT**

This is to inform the Board that the Department of Public Social Services (DPSS) intends to exercise the County's option to extend the term of the GAIN Employment Activity and Reporting System (GEARS) Agreement (County Agreement Number 76637) for an additional twenty-four (24) months ("Extended Term") beyond the initial term of seven (7) years ("Initial Term"), commencing on July 15, 2015 and expiring on July 14, 2017.

BACKGROUND

On July 15, 2008, the Board awarded a seven (7) year contract (with the option for two (2) additional years) to Hewlett Package (HP) Enterprise Services, Limited Liability Company (LLC) [formerly known as Electronic Data Services (EDS)] to provide maintenance and operational services for GEARS, which supports the Greater Avenues for Independence (GAIN) Program under the California Work Opportunity and Responsibility to Kids (CalWORKs) Program. The GAIN Program provides Welfare-to-Work (WtW) or employment-related services to assist participants transition from the CalWORKs program to gainful employment and self-sufficiency.

The Board approved a total Maximum Contract Sum of \$75,310,263 for both the Initial Term and Extended Term of the GEARS Agreement. At the time of award, the Board delegated authority to the DPSS Director to exercise extension options, as needed. DPSS will need to exercise the Extended Term, given that GEARS functionality is currently being built into the LEADER Replacement System (LRS), and LRS is not expected to launch until late 2016.

On September 19, 2007, the State's Office of Systems Integration (OSI) required the Department to incorporate WtW programs into the LRS, similar to their earlier mandate on June 6, 2007 to incorporate Title IV-E (Foster Care, Adoptions, etc.) programs in the LRS. The State based its decision on a legal requirement in the Welfare and Institutions Code

§10823(a)(1), which requires that the OSI implement a Statewide Automated Welfare System (SAWS) for a variety of public assistance programs, including CalWORKs. Since WtW is a major component of the CalWORKs Program, LRS will fully automate the CalWORKs Program under SAWS, as required by law. Therefore, to comply with the State statute, as well as align with the scope of other SAWS consortia systems, WtW functionality is being built into the LRS, and GEARS will be decommissioned upon full implementation of the LRS.

JUSTIFICATION

Exercising the County's option to extend the GEARS Agreement for the two (2) years of the Extended Term will ensure that GEARS/GAIN staff provide uninterrupted WtW services to the community while the design, development and implementation of LRS is in progress. Once the LRS has been fully deployed across Los Angeles County, the GEARS Agreement will be terminated for convenience.

As such, DPSS is notifying the Board that the DPSS Director will:

1. Extend the term of the Agreement for an Extended Term up to a maximum of twenty-four (24) additional months beyond the Initial Term, for a total extension not to exceed two (2) years, commencing on July 15, 2015 and expiring on July 14, 2017; and
2. Authorize the operation of the extension periods for \$18,118,694 for the twenty-four (24) additional month extension for a total Maximum Contract Sum of \$75,310,263. This total Maximum Contract Sum was previously approved by the Board.

NOTIFICATION TIMELINE

Consistent with the Board motion dated January 30, 2007, we are informing the Board of our intention to exercise the Extended Term of twenty-four (24) additional months beyond the Initial Term of the GEARS Agreement. In ten (10) business days, absent any inquiries from your office, we will notify HP Enterprise Services, LLC, that we are exercising the Extended Term, and to proceed with providing its services for the Extended Term of the GEARS Agreement. If there are any questions, please feel free to contact me, or have your staff contact Michael Sylvester, Assistant Director over the Bureau of Contract and Technical Services, at (562) 908-8327.

SLS:af

- c: Chief Executive Officer
Chief Information Officer
County Counsel
Executive Officer, Board of Supervisors